

# Local Institutions and the Political Process of Controlling Land and Resources in Thailand

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## Introduction

With the steady process of recovery from the financial crisis in Thailand, many Thais are keen to know what options are there for a future development model. The financial crisis had hit most of the Thai population hard on the economy (not least the most underprivileged groups) but for many the crisis also presented itself as an opportunity to ask whether the development model which busted in 1997 is the right one to pursue after a recovery<sup>2</sup>. As the explanations of the crisis differ according to ideological perspective<sup>3</sup>, so do the perspectives for the future development model. Do the Thai people have to accept Margaret Thatcher's infamous TINA (there is no alternative) to the growth oriented development model creating still more material

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<sup>2</sup> Radical critiques of the conventional development model from the NGO movement, such as Prawase Wasi, Sauwalak Kittipras, Chettha Intharawithak and Srisuan Kuankachorn came out with strong critiques of the previous development and asked "what have we learned?" See e.g. (Sauwalak Kittiprapas, 1999) and (Srisuan Kuankachorn, 1998). The critiques of the conventional development model emphasise that the Chinese word for crisis also means opportunity.

<sup>3</sup> Pasuk and Baker mention six different explanations, each one with a different cure for the crisis (Pasuk Phongpaichit and Chris Baker, 2000, p.4)

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goods for those who already have enough and leaving social equity, environment and culture in a still worse off situation, or is there an alternative?

Two socio-political trends are currently battling over the control of land and natural resources in rural Thailand. One is the process of decentralisation and devolution of state power which started in the mid 1980s and was greatly enhanced during the financial crisis with the new Constitution of 1997. The other trend is the ongoing globalisation with its liberalisation of market forces which moves much of the agenda setting to institutions outside Thailand. The two tendencies are supported each of them by different economic theories and development philosophies. Both tendencies put the nation state under an increased pressure. I argue in this article that the institutions at the local level in rural Thailand play a pertinent role in determining which tendency will gain (or to which degree) the control over land and natural resources in rural Thailand.

Various institutions have through history played a continuously changing role of controlling people, territory and natural resources in Thailand. The institutions and the roles they played have changed according to the internal and external power structure with the forming of the Siam nation state under the early Chakri dynasty in the mid 1900s century as an important milestone. Foreign powers, international organisations, the state, the market (economic forces) and the civil society have in the sequence of history played different roles and have been actors in the course of historical changes and development of rural Thailand.

The main role of the modern nation states as they were created in the mid-1900s century Europe was to gain exclusive power over people and territory. In Thailand an interesting change of emphasis from control over people to control over territory took place during the establishment of the modern nation state. I will in this paper focus on the role of territory and natural resources and thus follow the ideas of Vandergeest and Peluso (Vandergeest, 1995) on territorialisation as: “the attempt by an individual or group to affect, influence or control people, phenomena, and relationships by delimiting and asserting control over a geographic area” and thus: “territorialisation is about excluding or including people within particular geographic boundaries, and about controlling what people do and their access to natural resources within those boundaries”<sup>4</sup>.

I will in this article discuss the content of the two socio-political tendencies and how they through local rural institutions are battling over the control of land and natural resources in rural Thailand. Thus I see institutions as mediating the practical outcomes of development philosophies and territorialisation.

Tenure rights and access to land and natural resources are contested and are hereby playing an important role in the political discourse in Thailand today. Institutions

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<sup>4</sup> Vandergeest and Peluso are quoting Sachs on his definition of territoriality, see Vandergeest and Peluso (1995), p.387 f

from the international through the national to the local level play an important role in setting the agenda for that political discourse, therefore a short note on my conceptualisation of institutions.

## What are institutions and organisations?

Leach, Mearns and Scoones give a very useful conceptualisation of the dynamic role of institutions in the people-environment relations. They show how institutions are mediating at the macro, meso and micro level between environmental goods and services and the capabilities of differentiated social actors of managing the environment to contribute to human well-being. Environmental changes thereby become the outcome of the dynamic relationship between environmental endowments and social actors interests in desired courses of ecological change. The concept of landscape serves usefully to encompass the linked ecological and institutional dynamics, with landscape history referring to the reflexive relationship between environmental and social history. Referring to institutional economics Leach, Mearns and Scoones distinguish between institutions and organisations as institutions thought of as “the rules of the game in the society”, then organisations may be thought of as the players bound together by some common purpose to achieve objectives<sup>5</sup>.

As Leach, Mearns and Scoones are also highlighting, institutions at different scale levels, international and national or state level, influence environmental management at the local level. This is very much in line with Wilson and Bryant referring to environmental management as a multi-layered process associated with the interaction of state and non-state environmental managers right from the person physically interacting with the natural resources, to a desk in Washington DC, prescribing general environmental management methods or setting conditionalities for supporting a country’s financial capabilities that will eventually have environmental implications<sup>6</sup>.

With the ongoing globalisation and at the same time the ongoing decentralisation and devolution of power, I’m proposing to look at the Thai government as put under an increased pressure both from “above” and from “below” in executing its sovereignty from the point of view of controlling land and resources. This I will illustrate by highlighting some of the issues related to the roles of international organisations, state agencies, and local organisations and communities in their struggle to establish institutions and thereby territorialisation of the rural landscape of Thailand. I shall

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<sup>5</sup> Paraphrased from (Leach et al., 1999)

<sup>6</sup> Wilson and Bryant (Wilson and Raymond L. Bryant, 1997) are in this respect in line with Piers Blaikie (Blaikie, 1991) when he is proposing a chain of explanation in soil erosion. That chain links the actual erosion with the local farming system, which again is influenced by national institutions and policies which again is linked to agricultural commodity prices at the world market or conditionalities on IMF loans.

present two brief examples from international institutions, that is the Agreement on Agriculture (AoA) pursued by the WTO and the Asia Development Bank (ADB) loan for the Agricultural Sector Restructuring Programme. I will outline the need to further analyse the roles proposed for the Tambon (sub-district) Administrative Organisation (TAO) and other institutions at the local level in rural Thailand. This will indicate the room of manoeuvre for the Thai Government in executing its sovereignty in controlling land and natural resources and thereby providing a political tool for directing the course of development and environmental change. In support of that, I will review some of the current debates on possible development models for a post-crisis Thailand.

As history always inform the current process of change, the analysis follows the historical sequence of institutions and territorialisation in rural Thailand.

## Sequences in the role of institutions in territorialisation of rural Thailand

There are many ways to divide the Thai history into major epochs. When it comes to control over land and natural resources I will argue that there have been two major turning points of which we are experiencing the latter during the turn of the Millennium. The first turning point came during the last half of the 19<sup>th</sup> Century, starting with the Bowring Treaty of 1855 and the demarcation of the Siam nation state vis-à-vis the colonial powers. The first systematic attempt to map Siam was done in 1875, in 1885 the Royal Survey Department was formed, and the first Land code was enacted in 1901. During this period king Chulalongkorn reformed the bureaucracy and the Ministry of Interior effectively centralised territorial power by minimising the influence of noblemen spread around in the kingdom.

The next turning point is mainly marked by the macro economic change that took place from the mid-1980s when the export-led manufacturing economy took the lead. This implicated that the national attention was further diverted from agriculture as the main source of income for a majority of the population who still had to survive on the direct relationship of man and his environment. The export-led industrialisation was accompanied by the growth of the white-collar urban middle-class that promoted democratisation of the society, devolution of state power and decentralisation. The uprising in Bangkok in May 1992, as a reaction to a military coup the year before, was a manifestation of this. The 1997 Constitution is an important landmark but its implementation is controversial and difficult. This goes not least for the control over land and natural resources, as it is my aim to illustrate below.

## The concept of territorialisation in the old Siam

Land in the old Siam used to belong to the King who through noblemen spread in the kingdom collected taxes for themselves and the King. The farmers were from early times taxed in form of *corveé*, which is forced labour for construction and maintenance of the infrastructure. King Chulalongkorn abolished the *corveé* and introduced taxes to be paid in the form of head tax.

There were no individual property rights and the communities lived to a large extent from collecting their food from the very rich natural endowment. Sir John Bowring estimated that in 1850 Siam had between 4.5 and 5 million people, which is very low considering the abundance of the natural endowment. Apart from the internal division of labour within the household, there was very little division of labour in the society with no trading towns, no trading class, no artisan towns and no artisans (Chattip Nartsupha, 1999, p.36). Especially outside the central region, did the gathering of forest produce contribute significantly to the household economy. It also contributed to the national economy as the forest goods were collected as taxes from remote places where taxes in the form of *corveé* labour was not feasible<sup>7</sup>. The state kept a portion of the forest goods and sold another portion for export. Before the Bowring Treaty of 1855, non-timber forest products (NTFP) made up a significant part of export from Siam, organised by the King's finance ministry.

The main concern of the power centres in the old Siam was control of people and there was little consideration of territorial boundaries. Power was to a certain degree decentralised to noblemen spread in *muang* and territorial borders were unimportantly somewhere in the "wilderness". There was little centralised power and no clear demarcation of national boundaries<sup>8</sup>.

By the colonisation, the British were pushing the Siam kings from Burma and Malaysia and the French from Indochina. Concessions were given to foreign companies based on the Bowring Treaty of 1855 that opened up the internal market for foreign companies and gave way for a new form of territorialisation of natural resources. It was mainly concessions for harvesting of teak that was given to western companies. That, however, had no or little direct impact on the production system in the communities.

## Territorialisation with the forming of the nation state.

The Western concept of territory pushed the Siam kings to have Siam demarcated vis-à-vis the colonial powers. The Siam kings adopted a western land code and

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<sup>7</sup> There was at that time no need for infrastructure in these remote areas and no capability in the communities to deliver forced labour

<sup>8</sup> However, the Thai feudal system is considered centralised (in comparison with the European feudal system) as it was based on a patron-client system from top to bottom. The patron-client system is so ingrained in the Thai political culture that this is still the main obstacle to a free, democratic political system based on individual voting power. I'm grateful to professor Apichai Puntasen for enlightening me on this feature of the Thai political system.

claimed ownership of all “unoccupied” land. These policies were the result of changes in the conception of space and territorial sovereignty. The old institutions of semi independent local noblemen were replaced by salaried officials under the centralised rule of the King. The Ministry of Interior (MoI) gradually took over territorial power (up to 1932 as servants of the King) and taxes were changed from headtaxes to taxes based on land and usufruct rights. Villages were created with an elected Phuyaiban (village headman) as a territorial unit and households were registered according to the territorial unit, thus replacing the old system based on classification by social category. The villages were controlled by the central state through the sub-district headman (kamnan) being an employee of the MoI. “Thailand’s territorial administration was modelled after that in nearby colonies. The system of village head was similar to the British system in India...., while the highly centralised provincial and district administration is similar to that in the French colonies of Indochina”(Vandergeest, 1995) p. 401.

Up to the late nineteenth century, land was never considered as something that could be owned by individuals. Land could be occupied as long as it was cultivated but could not be used as collateral. After the rapid commercialisation of the rice production in the central plains upon the signing of the Bowring Treaty, the need for commercialising land itself became an issue. The first land code was enacted in 1901. “Although the land code was formally applicable throughout Thailand, it was in practice written to apply to landlords and smallholders in the central plains, and for urban landholders...”(Vandergeest, 1995) p. 403.

With the signing of the Bowring Treaty the rice production for export increased rapidly. With a growing demand for rice from neighbouring colonial territories that were being specialised in producing cash crops for their colonial masters, Siam could fill the role of providing basic foodstuff for countries in Southeast Asia. It was however mainly the central region which was drawn into this trade. The volume of export grew from 144 000 tons in 1864 to 486 000 tons in 1890(Chattip Nartsupha, 1999, p.44). The increased production for export came from extending the area under cultivation, mainly through construction of canals (for irrigation and flood control) along the Chao Phraya in the central region. The removal of the *corvée* labour system and the introduction of a head tax made it possible. This set free the labour power and laid the foundation for the spread of the independent Thai peasantry. However, the introduction of the head tax in cash forced the independent Thai peasantry to enter into the capitalist market system, from which they should soon experience the domination of a new system of power.

After the Bowring Treaty and the development of commercial rice production, a big number of Chinese immigrants began to settle in the rural areas where they were buying rice and keeping shops in small trading centres. When there were failures of harvest they would lend money to the farmers so they could pay their taxes. They

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developed into the infamous group of bloodsucking moneylenders described as the biggest problem of rural Siam at that time (Zimmerman: Siam: Rural Economic Survey, 1930-31). When the farmers could not pay their debt they would sell first their cattle and buffaloes, then their wives and children, then themselves. The land they could not sell as it belonged to the King(Chattip Nartsupha, 1999) p.30

Chatthip Nartsupha mentions that with the gradual dismantling of the system under which the state was the sole owner of land, a land owning class developed of Chinese grocery traders who accumulated land by seizure, because farmers had no way to repay loans. This made the village communities dependent on the outside world. It subsequently increased the number of landless farmers becoming tenants or rural labourers. From Professor Zimmerman's study in 1930 he states that 36% of all farming families in the central region were landless. Unlike a "normal" capitalist transformation of agriculture where one group of farmers become rich and turn into rural entrepreneurs or capitalists (or what Lenin in Russia called kulaks), class differentiation in the Thai village in the central region appeared in the form of one group becoming impoverished. Instead of the dynamics of social and economic transformation remained in the rural areas, the rural areas became impoverished and the dynamics evolved in the trading centres. At a later stage these dynamics almost all of them concentrated in Bangkok. The consequences of the lack of dynamics in the rural areas are old production methods and technology that were never transformed and rural areas remained impoverished. Thailand's productivity in rice remains one of the lowest in the Region<sup>9</sup>

Before the Bowring Treaty, the King banned export of rice for reasons of food security for his people. With the Bowring Treaty a new commercial rationale for rice production was introduced that subsequently led to major changes in the access to and control over land and natural resources. The poor and landless lost the control of their means of survival and wealth and control accumulated in the trading centres and later in Bangkok. This process mainly took place in the central plains along Chao Phraya. In 1905-6 the central plains accounted for 98% of rice exports(Dixon, 1999, p.44). Apart from commercial concessions in teak production in the North and tin in the South, the local communities remained largely undisturbed by the commercial production systems. From around Second World War, rubber planting became an important changing factor in the land use and control over natural resources in the South, but before the World War, rubber only accounted for 2% of total country export(Chattip Nartsupha, 1999, p.66). Descriptions of the life in Isaan in the early 20<sup>th</sup> Century is close to Marx' description of the original communist society where nobody is slave and nobody is master with no division of labour in society and no rich and no poor people<sup>10</sup>. Up to the time when the development discourse took roots

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<sup>9</sup> It seems contradictory that Thailand's is the world's biggest exporter of rice and its productivity is falling further and further behind its competitors. In 1991-93 rice yields per ha was 77% of the average for the whole of Southeast Asia.(Dixon 1999, p. 156)

<sup>10</sup> Chatthip Nartsupha refers to Prince Damrongs report from his travel to Isaan in 1906 (Chattip Nartsupha, 1999, p.69f)

from the 1960s, mainly the farmers in the central plains had been integrated in the commodity production.

## The development discourse

Thailand embarked on its development course after General Sarit with US backing took power in 1958. The agricultural sector became the basic foundation of the development model as it took the role normally assigned to it for economic development. Agriculture was providing cheap foodstuff for the urban population, through the rice premium it provided the capital needed for industrialisation and through export it provided the necessary currency earnings for the import of industrial capital goods. As shown above, the difference in the case of Thailand is that the rural areas remained impoverished without a social and technological transformation. The dynamic development took place in the urban centres, at a later stage, largely concentrated to Bangkok.

With the rapid expansion of cultivated land from the 1960s, especially in the North and Northeast, the agricultural communities in these regions also became commercialised in the way the central region had started almost a century earlier. In this sense the beginning of the development era became a midway turning point in the territorialisation of Thailand. First of all, paddy land spread in the valley bottoms in the North and Northeast, but upland commercial crops like cassava, sugar and maize accounted for a still bigger share of the agricultural production (Muscat 1994 p. 160). Much of the land in the North and Northeast was demarcated as forest reserves as part of Thailand's efforts to live up to its goal of having 40% of all Thailand under forest cover. Several factors coincided in the very rapid expansion of commercial agricultural production in the North and Northeast. Firstly, the agricultural sector had to provide input for the development of the rest of the society as described above. Secondly, the rapid population growth in the 1960s increased the pressure on land. As this, thirdly, coincided with a rapid deforestation of huge forest tracts for commercial timber production but also with the purpose of removing hiding grounds for guerrilla groups fighting the Thai Government, the forest workers from the overpopulated central plains and the poor north-eastern region were tempted to settle down and start cultivating.

Although the expansion of land under cultivation was all a result of various government policies, much of the land encroached by cultivation unfortunately was or became demarcated as forest reserves according to the Forest Act of 1964. The farmers, therefore, could not get official approval of their agricultural production. The resource and land tenure problem subsequently became an ongoing controversy creating tensions and social unrest. A number of state agencies have been issuing land certificates, but according to the land codes of 1901 and 1954 these were not title deeds allowing the cultivator to sell the land or use it for collateral. The uncertainty of ownership or even access to land and resources seems to have been



part of the political controversial process involved in the transfer of power from an absolute monarchy to a constitutional democracy. This has happened through several military coups and periods of military rule up to the process of grassroots democratisation started to take roots in the mid 1980s.

### Tendencies in territorialisation of rural Thailand during the late twentieth and early twenty-first century

Two major socio-political tendencies are currently going along in Thailand, starting during the 1980's and continuing in the beginning of the new century. These are at the one hand the seemingly sustained democratisation going hand in hand with decentralisation and devolution of state power and, on the other hand, a continued push for liberalisation of the world economy and integration of Thai rural resources into the urban (and global) economy. Institutions from the local through the national to the global level play a pertinent role in how the two tendencies influence on the control of land and natural resources in Thailand. The former tendency is encouraging decentralisation of institutions, promoting sustainable utilisation of natural resources seen from an economic, socio-political and ecological point of view, while the latter is driven by national and international institutions and businesses focussing on rapid economic growth through utilisation of available, modern technology (e.g. GMO). From an economic theory point of view, the former tendency is supported by ecological economics including intrinsic values as part of humanities, while neo-liberalism and the narrow utilitarian economic comparative advantage of specialisation and trade supports the latter.

It seems as the Thai political and bureaucratic establishment views the two tendencies as representing a "lower" and an "upper" economy respectively. The bureaucratic establishment has been somehow compelled to accept that agriculture consists of not only the export-oriented conventional sector, which is supporting the modern Thai economy. This is not least because King Bhumibol always has shown much interest in the traditional small scale Thai agriculture and during the crisis called for a kind of farmers self-sufficiency economy based on his "New Theory"<sup>11</sup>. The split of the agricultural sector in an "upper" and a "lower" economy gains further official backing when the Democrat Party, the head of the ruling party coalition, officially committed itself to promote self-sufficiency in the "lower economy", while assuring everyone that it would continue to pursue export-led growth in the "upper economy"<sup>12</sup>.

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<sup>11</sup> The King actually first unveiled the New Theory during his birthday speeches in 1994 and 1995, but it was only in the midst of the crisis that the concept got wider publicity and something the agricultural officers have to take seriously. On the content of the New Theory, see: [www.bangkokpost.co.th](http://www.bangkokpost.co.th).

<sup>12</sup> Referred from (Pasuk Phongpaichit and Chris Baker, 2000, p.195).

### Functional territorialisation

A big number, and often, conflicting policies, are being pursued with a view to change rural Thailand. From the late 1970s, Government agencies, especially the Royal Forest Department (RFD) and other departments under the Ministry of Agriculture (MoAC), started introducing functional territorialisation in reclassifying forest reserves into *conservation forests* by demarcating National Parks, Wildlife Sanctuaries and sensitive watersheds and *economic forest* where actual occupants might get resource tenure without rights of transferring land (if not through inheritance). Thailand has been divided into 25 major watersheds and land capability studies and mapping are being undertaken. The aim is to designate land use according to scientifically identified land capabilities (soil, agro-climatical conditions, slope, aspect etc.).

Officers in MoAC see zoning, based on land capability classifications, as a viable way to enhance productivity and to adjust the production to respond to the demands from the export and domestic market. This also includes that the Government, under pressure from the NGOs in the 8<sup>th</sup> Economic and Social Development Plan (1997-2001), set aside 25% of the cultivated land for sustainable agriculture. According to certain sources in the MoAC this would fit well into the land capability classification and zoning of the agricultural land. As I was told during an interview: "It should be possible to identify 25% of agricultural land that for various reasons is not suitable for world market competition. At that land the farmers can grow a variety of crops, mainly for self-sufficiency, but also for sale. Here traditional wisdom could be applied and technologies such as integrated farming, natural farming, organic farming etc. could be tried out<sup>13</sup>. In that line of thinking, GMO is being applied to other zones having the proper capabilities<sup>14</sup>. As agricultural inputs are only minimally used in Thai agriculture and almost only in the export oriented part and as GMO is only pursued by foreign based agribusiness companies, the result of the functional territorialisation might eventually be a form of territorial apartheid. Land with good production capabilities will be utilised by export oriented farmers being provided with credit and high input technologies on contract with agribusiness companies while degraded land or land with poor production capabilities can be utilised by marginalised farmers pursuing their ideas of "sustainable agriculture"

The process of land demarcation and the issue of land and resource tenure have been very ambiguous in Thailand. According to an ADB Study 38 agencies from several ministries are involved in watershed management. Less than one third of rural households have secure land titles that can be transferred or used for collateral. This

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<sup>13</sup> Personal communication with officers in the Office of Agricultural Economics, October 1999.

<sup>14</sup> Between 1995 and 1999, the Department of Agriculture (DoA) allowed seven government and private groups (Monsanto being a dominant figure amongst them) to import 16 GM plants for research purposes. In June 2000 the Deputy Agricultural Minister approved GM Cotton growing in large plots on a trial basis for DoA to test if there is any adverse environmental effects. Bangkok Post 5.11.2000 and personal communication in the DoA, November 2000.

of course to a wide extent has been due to lack of technical facilities and expertise, but is mainly reflecting the political uncertainty and bureaucratic resistance during the transition period described above. RFD has allocated several millions ha of occupied forestland for ALRO to issue temporary land use rights (ALRO 4-01) which at least can secure the legal status for farmers to cultivate the land<sup>15</sup>. RFD claims that the farmers keep encroaching further into forest reserves even after they have got usufruct rights.

### Sustainable agriculture

Sustainable Agriculture is another initiative that was strongly emphasised in the 8<sup>th</sup> Economic and Social Development Plan. The strong emphasis that was given to sustainable agriculture in the planning document is not matched with clarity of what sustainable agriculture actually means<sup>16</sup>. The ambiguity of the concept is in itself part of the political discourse of using environmental issues as part of the political process. There is, however, emerging a dual approach to agricultural development within the Thai political and administrative set up, corresponding to the “upper” and “lower” economy. Various parts of MoAC seem now ready to give at least some support to the “lower” economy by supporting “sustainable agriculture”, traditional technologies, local wisdom etc<sup>17</sup>. If the various political forces want to support sustainable agriculture, it is of paramount importance to identify institutions that could promote it. They, therefore, have to come to terms on the meaning of the concept. I shall propose using a very simple definition:

*Sustainable agriculture is defined as being short-term economically viable and socio-politically acceptable for the farmer using natural resources with production methods which will ensure that they retain their long term production capabilities.*

This definition also includes the huge number of farming families supplementing agricultural production with non-farm incomes provided this is socio-political acceptable (which of course is always contested).

Which of the tendencies will dominate the future territorialisation of rural Thailand will to a large degree depend on the local institutions and the peoples’ capacities to influence the political process that creates these institutions.

### Tambon Administrative Organisation and the role of local level institutions

Devolution of state power and decentralisation of government responsibilities is a

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<sup>15</sup> Above information based on: OAE/MOAC: Agriculture Sector Needs Assessment Study. Final draft, November 1998.

<sup>16</sup> I discuss the ambiguity of the concept of sustainable agriculture in the Thai context in Buch-Hansen (forthcoming)

<sup>17</sup> Various bi- and multilateral donors are supporting a number of initiatives being alternatives to conventional agricultural development. These are mainly co-ordinated through the Office of the Permanent Secretary, MoAC.

central issue to the "spirit" of the 1997 Constitution. This was spelled out in further details in the 8<sup>th</sup> Economic and Social Development Plan, but the implementation of the words and spirit of the Constitution is a complicated ongoing process. After some delays in the MoI, they are now, in conjunction with the line ministries, specifying responsibilities at the various levels from the central line ministries, to the provincial, district and sub-district (Tambon) level. The MoI is simultaneously transferring power for the various levels to deal with the new responsibilities as well as plans are being developed for the decentralised levels to have a sufficient tax revenue and manpower to deal efficiently with the new assignments.

The Tambon Administrative Organisation (TAO) is an elected body with each village electing two persons for the Tambon Council, which in turn elects its own chairman.

The ongoing efforts in the MoI are very much in line with one of the conditionalities of ADB for the loan to restructure the agricultural sector (see below). These conditionalities aimed at strengthening community-based organisations and the TAO and to facilitate improved community involvement in planning and implementation. The Chairman and the Council of the TAO will in principle be responsible for implementing the government's development activities and running the day to day public service functions at the Tambon level. This includes education, health, waste management, infrastructure etc. The MoI is presently in the process of transferring the mandate to TAO of having the responsibilities of managing also natural resources at the local level. The MoI is as such transferring the power from the centralised state bureaucracy with a top-down vertical planning approach to a "peoples organisation" in a constitutional frame, planning with a horizontal planning approach. The main question this article is highlighting is in what ways MoI will eventually succeed with this endeavour? Will the TAO eventually reflect the communities' perspectives for natural resources management or will they only decentralise conventional development policies. What role will international institutions and businesses play in the communities' capabilities of determining local natural resources management?

I shall now turn to the possible impact of globalisation by briefly introducing two examples on how international organisations like the WTO and the ADB are trying to set the agenda for environmental policies in Thailand. This adds to the understanding of the difficult situation of the Thai government in responding to the agendas from "above" and "below". As this is to a large extent a political choice between different philosophies of development, I shall conclude the article with a discussion of possible alternative directions of development.

## WTO, the Agreement on Agriculture and its impact on sustainable agriculture

The breakdown of the WTO negotiations in Seattle in December 1999 was seen by many developing countries as a welcome break in the continuous pressure from developed countries, not least the US, to extend liberalisation of economies to all parts of the world. Especially the Agreement on Agriculture (AoA) creates uncertainty of what this will bring for the majority of small scale, traditional farmers in poor developing countries. Not least India has been opposing many of the new issues in the WTO negotiations, amongst them the Agreement on Agriculture. Thailand, though technically a developing country, is as a member of the Cairns group<sup>18</sup> and a strong proponent of the WTO and the Agreement of Agriculture.

Being the fifth largest exporter of agricultural commodities and having powerful agribusiness companies promoting conventional agriculture, the stated objective of the AoA of reducing and eventually removing all state subsidies to the agricultural production and export is a strong incentive for the Thai government to support the AoA. Thailand actually is considered together with Argentina as the most hard-liner in terms of the global liberalisation agenda<sup>19</sup>. Parts of the Thai society, headed by the Ministry of Commerce, the agribusiness and their associations, believe that they will have commercial benefits from the AoA. Other parts, mainly headed by the NGO movement, believe that small-scale farmers risk losing food security through reducing self-sufficiency and thereby potentially face further impoverishment.

In the case of the AoA, Thailand has to accept minimum access quotas to import of highly competitive agricultural commodities, produced with high external inputs, subsidised by the US or EU taxpayers. This is already happening with cheap powder milk from the EU that is replacing Thai produced milk. In the long run this is a threat to the self-sufficient small scale farmer who might be further integrated into migrant work and be tempted to replace the traditional home-grown rice with bread baked on cheap wheat from the US or EU. The gradual change of food habits, especially among the urban dwellers of replacing the traditional rice meal for breakfast with bread and cereals as well as the rapid spread of US based fast food chains are examples of this.

Another example is the trade related intellectual property rights (TRIPs) also being

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<sup>18</sup> The Cairns group is a group of agricultural exporters who in the WTO negotiations on the Agreement on Agriculture are opposing the two dominant players: EU and USA. These two dominant players, who in the first place didn't want to include agriculture as part of the GATT negotiations in order to protect their own farmers, did finally agree to include agriculture after a wearing trade war during the 1980s. The Cairns group has an objective interest in establishing free trade in agriculture to avoid competing against the approximately 300 billion US dollars of the tax payers money these two trading blocks support their agricultural sectors with annually. Although the stated objective of the AoA is the removal of all kinds of subsidies for agricultural production and export, USA and EU manage to increase the subsidies by covering them under "non-trade related" support measures. See e.g. (Das, 1998),(FAO, forthcoming) and (Kwa and Bello, 1998)

<sup>19</sup> (Bello, 1999)

part of the WTO package. This pushes the Thai government to further invest resources in being in front with new technology, such as GMO. Although the Thai government has currently not allowed the use of GMO for commercial production, it is already widely used (for scientific purposes) by several foreign-based agribusiness companies. With the TRIPs, multinational agribusiness companies can claim intellectual property rights to their genetically modified versions of traditional Thai genetic resources as was the case when a US based agribusiness company genetically modified the internationally well known Thai Jasmine rice with the Indian Basmati rice and claimed intellectual property right to the new Basmati rice.

The widespread use of GMO will not only have detrimental effects for the Thai consumers trying to resist GMO but will also effect the possibilities of exporting ecologically "safe" products to the EU and Japanese markets. According to sources in the Ministry of Commerce, Thailand sees the GMO issue as a way EU is trying to protect its farmers and Thailand subsequently agrees with USA that this, in the WTO terminology (as with the hormone beef case) should be considered as a technical barrier to trade<sup>20</sup>

In many ways it seems that the Agreement on Agriculture might come to function as a Trojan Horse for Thailand, similarly to the role played by the Bowring Treaty the Siam king signed with the British Empire in 1855. The Bowring Treaty was an offer by the British Empire the Siam king (Rama IV) could not refuse after the British had shown their military power in the Opium War with China. The Bowring Treaty opened Siam to the first wave of international free trade promoted by the British who were then in a favourable trading position<sup>21</sup>. At the same time the Bowring Treaty secured the Siam king the sovereignty of the nation state which was about to be demarcated vis-à-vis the colonial neighbours. Will the Agreement on Agriculture come to function as a new Bowring Treaty, forcing Thailand to give concessions in terms of market access for cheap food products from US and EU and in terms of accepting intellectual property rights owned by foreign multinational corporations, manipulating genetic material of Thai origin. As with the Bowring Treaty, the AoA will promote the current trends of radically changing Thailand by further pursuing economic growth based on neo-liberal theories of comparative advantages of specialisation and trade. This will lead to further pressure on natural resources.

## The Asian Development Bank and the restructuring of the agricultural sector

Over-investment in the speculative real estate sector, not least investments in the

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<sup>20</sup> Personal communication with Dept. of Foreign Trade in the Ministry of Commerce, November 2000.

<sup>21</sup> After the abolition of the Com Laws in 1846 the British aggressively promoted specialisation and international trade.

many empty office skyscrapers in Bangkok, was one of the causes for the financial crisis that hit Thailand in 1997(Lauridsen, 1998). The first to suffer were the casual construction workers, most of whom were either immigrants (legal or illegal) or young family members from poor farming families in Thailand. It is estimated that at least 1.2 million temporary workers were returning to the rural areas in Thailand after the crisis<sup>22</sup>. This created further stress on the sector that in times of crisis still was the backbone of the Thai economy. It still contributed 27% of the export earnings, it provided cheap foodstuff to keep the manufacturing labour salaries low and it provided the livelihood for more than half of the Thai population. Agriculture was also the only sector retaining a positive growth during the crisis.

The crisis at the same time made the Government realise that there was a need for institutional reforms in the agricultural sector. There were, however, two sides to that need. Firstly, both land and labour productivity of the Thai agricultural sector is low compared to neighbouring countries. Further integration in the global market required institutional reforms to address increased productivity. Secondly, the government management of the agricultural sector was out of line with the requirements of the IMF structural adjustment loan by having too much manpower being not sufficiently efficient. It was as well out of line with the demands of the growing civil society represented by the many NGOs and community groups in the rural areas. These demands were even manifested in the new Constitution of 1997 and in the 8<sup>th</sup> Economic and Social Development Plan from 1997.

The Government of Thailand subsequently in 1998 requested the Asian Development Bank for financial assistance to implement a policy reform and a restructuring of the agricultural sector. Thailand has ever since been negotiating with the ADB on a loan of 600 million USD for an Agricultural Sector Programme Loan<sup>23</sup>. The draft agenda for the policy reform programme highlights some of the contradictions in the agricultural sector development prospects. The ADB did, as a normal procedure with international loan agreements, put up a number of conditionalities for providing the loan<sup>24</sup>. The conditionalities highlight, as with the WTO AoA, the crossfire situation the Thai government is put in having to adhere to the conditions set by international organisations and having to respond to demands from the political movements at the grassroots level.

The very first conditionality shows the close interrelationship existing between the international organisations in dealing with individual countries, as it specifies that Thailand shall implement the IMF Structural Adjustment loan programme giving the

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<sup>22</sup> According to MOAC Guidelines for CSD reporting the figure is around 1.2 million while other sources have mentioned that the rural areas had to absorb up to two million returning migrant workers.

<sup>23</sup> The loan came through in year 2000 and consists of 300 million USD from ADB itself, supplemented by 300 million USD from Japan

<sup>24</sup> The loan conditionalities are specified in the Agriculture Sector Needs Assessment Study. A Draft Final Report, 1998, and the ADB Loan Document, August 1999.

## LOCAL INSTITUTIONS AND THE POLITICAL PROCESS OF CONTROLLING LAND AND RESOURCES IN THAILAND

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Thai government strict advice on policy and government administrative reforms<sup>25</sup>. Secondly the conditionalities are split into two. One set of conditionalities is addressing the “upper” economy by emphasising increased productivity and increased foreign exchange earnings from the agricultural sector. This of course is directed towards the conventional agriculture improving export competitiveness and promoting agribusiness and food industries for export. These conditionalities are in line with the development trends of the past forty years and do not provoke anybody within the Thai government establishment. The other set of conditionalities is addressing the “lower” economy of the traditional, self-sufficient and marginalised groups of farmers who have so far not benefited much from the economic development, apart from being migrant workers in temporary, low paid and low status jobs in urban areas. These conditionalities provoke the conventional development trends and might lead to an alternative development model if institutions are in place to pursue them.

The second set of conditionalities call for clarifying the land tenure system, an issue that has been burning since the Forest Conservation Act of 1964 designated 40% of Thailand as protected forest reserves. Millions of small-scale farmers have ever since been eking out their daily necessities on marginal lands without the security of tenure that might provide them with incentives to improve their land and resources. The conditionalities also call for improving community-based management of natural resources and for strengthening of community groups and devolution of state power to TAOs. As this goes hand in hand with a conditionality of streamlining the Ministry of Agriculture and cutting down of its more than 120 000 employees and simultaneously initiating participatory planning, the reform, if successful, might result in a different model for agricultural development.

If sustainable agriculture is to be pursued in Thailand, there is an urgent need for institutions to support this at all levels<sup>26</sup>. The second set of conditionalities proposed by the ADB, like promoting integrated agriculture and mixed farming, improving community based management of natural resources, improving access to credit for the poor, promoting farmer led extension services, focussing on traditional technology etc. all call for institutions at the national and local levels to assist implementing this.

ADB is by emphasising these issues addressing the growing inequalities of the Thai society and the further marginalisation of the poorest. That past growth-oriented

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<sup>25</sup> This is actually a controversial issue within the ADB. After the outbreak of the financial crisis, the ADB offered to lend to Malaysia, but only if that country undertook policy reforms demanded by the IMF. Malaysia refused and followed its own strategy, which was exactly the opposite of the fiscal and monetary repression demanded by the IMF. The ADB's Japanese elite, in particular, is said to be resentful by the way the IMF handled the Asia crisis. See (Bello, 2000)

<sup>26</sup> The Thai Government intended to assist developing sustainable agriculture according to the 8<sup>th</sup> Economic and Social Development Plan (1997-2001). The term sustainable agriculture, however, has not been properly defined and the implementation of sustainable agriculture is severely hampered by not having the relevant institutions in place. See: (Buch-Hansen, forthcoming)



policies have not managed to share the results of the natural resources exploitation equally among its population but keeps on worsening the situation for the poorest can be illustrated by some simple statistics.

## Unequal economic growth

The development plans have repeatedly emphasised that the development is biased and unbalanced. This was clearly stated already in the Fourth Plan (1977-81): "In evaluating economic development in the past ten years, it is generally admitted that economic expansion and structural change are so unbalanced as to give rise to the problem of widening economic disparities between various groups of population and various regions"<sup>27</sup>. Similar concerns have been expressed also in the following plans, but despite the concerns, the results of the actual development have been rapidly growing inequalities and imbalances. Measured as percentage of the average gross domestic product, Bangkok made 272,7% at the start of the Fourth Plan, while the North and Northeast made 66,2% and 41,6% respectively. Three development plans later the percentages had changed to 340,4% for Bangkok while the North and Northeast had fallen to 47,9% and 31,1% respectively. The tremendous growth of the economy with per capita income tripling in the same period has decreased the incidence of poverty but has far from eradicated the problem. Increasingly poverty became regarded as a rural problem with over 90% of the poor living in the rural areas<sup>28</sup>. The income distribution gets increasingly unequal with 20% of the population having a share of 49,26% of total income in 1975-76, while the poorest 20%'s share was 6,05%. In 1994 these figures have changed to 57,52% for the richest while the poorest 20% of the population have to share 3,99% of total income (Dixon, 1999, p.218). In the past five years up to 1999, the inequalities have speeded up further with the figures in 1999 being 58,5% and 3,8% respectively<sup>29</sup>.

## Localism versus globalisation in Thailand

Many critiques of past government commitments to hand over more power to the people are sceptical about the present decentralisation process. The scepticism they inter alia justify in the above figures, proving a still more unbalanced growth. The critiques claim that what ever manoeuvres made within the government, the present power structure, dominated by business interests will be maintained. If the decentralised institutions will just continue the conventional development model, the communities will have no say over utilisation of their natural resources and the

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<sup>27</sup> Citation from (Saneh Chamarik, 1993) p.232

<sup>28</sup> The figures are from (Dixon, 1999), Chapter 7, where he also discusses the different studies made on poverty and the changing poverty lines.

<sup>29</sup> Bangkok Post 5.11.2000

decentralisation as such will not necessarily promote democratisation<sup>30</sup>. To understand the split in perceptions of democratisation it is necessary to look into the debate of localism versus globalisation in Thailand.

The financial crisis revitalised the discussion about the direction of development that had been ongoing for years in Thailand. Hewison's recent article (Kevin Hewison, 2000) denying there are realistic alternative development models to the neo-liberal globalisation, emphasises so much more, I think, the need to avoid defeatism. When the development discourse somehow was brought to an end by the end of the "cold war", the debate about the content of globalisation and its impact on nation states took off. Without going too deep into the debate on a borderless world (Ohmae, 1990; Ohmae, 1995), the eclipse of the state (Evans, 1997) or a new role for a developmental state within the framework of globalisation (Hirst and Thompson, 1996), I refer to Matthew Paterson and his questions of whether ecology sets a new agenda for this debate. Paterson (Paterson, 1999) is referring to the debate promoted by authors like Hirst and Thompson when they discuss whether state autonomy is eroded by globalisation or whether social-democratic projects of redefining the welfare state within the framework of globalisation is feasible<sup>31</sup>. As Paterson argues, both *laissez-faire* globalisation, based in neo-liberal economics, and the social-democratic welfare state, based in post- or neo-Keynesian economics, are based in the desirability and possibility of unlimited capital accumulation. As this now takes place at a global scale facilitated by the development of infrastructure and communication, almost unrestricted international financial transactions, the development of global standards in technology and the imposing of global food and dress habits, leaves the remaining parts of culture as the last bastions of resistance. The question is whether local institutions can promote such political resistance to the impact of globalisation that it will influence the policies of the national state or whether only local resistance is left as the last resort. Such local resistance might be David's fight against Goliath and doomed to fail although some of them manage to draw the attention of the global media, as was the case with the Chipko movement in India. This may also be what Pasuk and Baker mean when they refer to localism as a form of guerrilla resistance to peripheralisation (Pasuk Phongpaichit and Chris Baker, 2000, p.215)

A major problem in the debate is that ideologies forming the theoretical arguments are not transparent. This goes especially for the neo-liberal economics that takes it as an unquestioned fact that individuals instantly react to price signals and behave as robot-like optimisers of own economic benefits without considering issues of existence that can not be valued in money terms. If this rather narrow paradigm for analysing human behaviour was clearly stated by the neo-liberal economists it would

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<sup>30</sup> I'm grateful to professor Saneh Chamarik for enlighten me on the meaning of democracy in a Thai development context.

<sup>31</sup> Especially British scholars have been occupied by globalisation from the point of view of defining a role for a modernised social democracy party, such as the one Tony Blair is representing. See (Paterson, 1999)

be fair and reasonable and present no problem to the academic debate. As now it is often presented by powerful international institutions as the only economic analysis possible and other views are at best considered as being soft - meaning unscientific. I agree with Söderbaum when he says that neo-liberal economics is only a problem as it won't accept its ideological standpoint and because of its dominant position. He is using ideology in a broad sense as ideas about means and ends and not limited to the established political ideologies of socialism, liberalism, ecologism, feminism etc.(Söderbaum, 1999) Today's challenges of defining alternative development models to the neo-liberal globalisation call for much more diversified models based in local cultures.

As Saneh Chamarik is stating, in neo-liberal economics man and nature is counting nothing much more than commodities to be put on sale like any other commodities. That is how man is being equated with labour, and nature with raw materials. There is an urgent need to further develop alternative thinking that brings economists to interact together with scholars from other disciplines. As Saneh Chamarik is saying: "The essence of social science is to promote scientific attitude and capacity for rational inquiry"(Saneh Chamarik, 1993) p.16. We must inquire the outcome of so-called development promoted by neo-liberal economics and economist must respect that human welfare (the end result of all development efforts) is much wider than material goods.

I shall briefly discuss three types of economic thinking in Thailand that has emerged as a reaction to the dominant neo-liberal economic thinking.

### Environmental economics

One alternative to the narrow neo-liberal economics is environmental economics, where environmental costs of development interventions are calculated as a countermeasure to the anticipated benefits. One such study has been carried out by Khunying Suthawan together with colleagues from the Centre for Ecological Economics at the Faculty of Economics at the Chulalongkorn University(Suthawan Sathirathai, 1999). The Study calculates the environmental costs of constructing the Kaeng Sua Ten dam on the Mae Yom River by estimating the loss of income from collection of non-timber forest products and the lost value of carbon sequestration due to submersion of forests. The Study evaluates the loss of bio-diversity in general and emphasises that the area going to be submerged, is the largest natural genetic reservoir of teak in Thailand. In addition the Study evaluates the non-use value of the unique forest environment by using contingent evaluation methods.

This type of study gives a very valuable contribution to the understanding, that some of the adverse effects of development interventions can also be valued in money terms, the language neo-liberal economists understand. Many of the methods used in environmental economics, however, still have a great margin of uncertainty. What is more problematic is that intrinsic values or non-use values, such as the loss of

community life through eviction of established communities or the intrinsic value of an undisturbed forest can not only be valued in money terms. The question is whether mankind must accept that all aspects of human welfare should be broken into units measurable in money terms.

## Buddhist economics

Buddhist economics is another venue for alternatives to mainstream neo-liberal economics.

Apichai Puntasen points to the ironical fact that mainstream economics consider itself being a positive science, analytical, objective and value free. It considers itself based on rational logic and using strictly scientific analytical methods including mathematics. The irony is that being this “hard” science, it can not adjust to an ever-changing world without breaking. Buddhist economics is based on an entirely different logic than mainstream Western economics. Efficiency in resources utilisation is something that is central to mainstream Western economic thinking, meaning how to extract most possible resources with least possible costs. In a Buddhist way of thinking this is inefficient utilisation of resources, because it is already beyond needs to maintain one’s own life (Apichai Puntasen, 2000). In contrast to classical economic equation of maximum consumption leading to maximum satisfaction, Buddhist thinking emphasises moderate, or wise consumption, leading to well being<sup>32</sup>.

When the present king of Bhutan says that he is not so concerned about the gross domestic product for Bhutan, but more concerned about the gross domestic happiness for his people, is it difficult to translate this into the logic that normally guide development interventions. By maintaining this principle, however, slows down and redirects the development process that would otherwise be guided by pure neo-liberal ideas of optimising production and consumption<sup>33</sup>.

But as Apichai Puntasen, as a leading Buddhist economist notes, the logic applied to Buddha Dhamma is a fuzzy logic with a lot of grey area (Apichai Puntasen, 2000) p. 9, Saneh Chamarik complement this by saying that in the world of rapid technological change and increasing complex social and economic relations, it is essential to develop a more positive social orientation of Buddhism and translate that into practice (Saneh Chamarik, 1993) p. 115. This is a true challenge for social science to promote the social capacity that combines the enormous production potential in the age of globalisation with true human welfare.

## Agriculture and community self-reliance

As described above, the development model pursued in Thailand removed the development dynamics from the rural areas to the trading centres and later almost

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<sup>32</sup> Phrathammapidok, referred to in (Pasuk Phongpaichit and Chris Baker, 2000, p.197)

<sup>33</sup> For descriptions of various aspects of “gross domestic happiness”, see Centre for Bhutan Studies, 1999

entirely to Bangkok. The rural areas became impoverished by the development, but especially the rural areas outside the central plains, retained the original community culture. Agricultural production for self-sufficiency as a way of life and as an integrated part of community culture was and is quite a different issue than the agriculture production that supports Thailand's position as the world's fifth biggest agricultural exporter. The discipline of agricultural economics, the Ministry of Agriculture and the Ministry of Commerce were only during the development discourse concerned with the latter. This has prompted the creation of the localism discourse. Saneh Chamarik is one of the main promoters of community based development and thereby the localism discourse. He emphasised the idea of the community becoming a basis for human and social needs in opposition to the dehumanisation of economics. In this sense, the community was more a moral idea than a physical idea. It was necessary to invent or reinvent the community as a principle. The ultimate aim would be to "create a new social order in which the economy serves society, rather than society serves the economy"<sup>34</sup>.

For those supporting the idea of local communities and the local discourse, a revival of a self-sufficient economy with agriculture as the central activity is vital. It is of course important to be aware of the danger Kitahara points out of idealising the small local community as an alternative that could replace modernity with all its defects (Kitahara, 1996). Maybe the realities of present days community life do not correspond to the ideal model constructed by the critiques of modernity.

Because the dynamics of the agricultural transformation were removed from the countryside, the agricultural sector was unable to transform itself. It became dependent on the urban sector, either as suppliers for the agri-business sector or, after the urban economy started booming in the mid 1980s, as provider of migrant, low paid casual labourers. Agricultural economics, therefore, was only concerned with export agriculture. The rest was considered as a cultural phenomenon. With growing political awareness from marginalised farmers' groups, supported by an active NGO movement, and with the King insisting of talking on behalf of the traditional Thai farmers, the agricultural sector is now seen as divided into an "upper" and a "lower" economy. Agricultural self-reliance in the communities is as best considered part of the "lower" economy.

### Is the localism discourse backward looking?

To many scholars, politicians and development practitioners, ideas of agricultural self-sufficiency and community self-reliance is to draw the history backwards. Pasuk and Baker are even using the Thai saying of walking backwards into a khlong, meaning regressing or being conservative, as the headline of one of the chapters in their book on Thailand's crisis. But Saneh Chamarik, the main proponent of

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<sup>34</sup> Referred from (Pasuk Phongpaichit and Chris Baker, 2000), p.200

community self-reliance, reiterates again and again that this does not “imply a need or desirability to fall back on the traditional past and to keep away from the realities of the contemporary world”(Saneh Chamarik, 1993, p.88), or “Modern scientific knowledge and learning therefore has always a great role to play, not to supplant or suppress, but to supplement indigenous knowledge and scholarship” (ibid. p. 91). One should, however, be aware that knowledge and theories (or technology for that matter) are not neutral but are part of a greater knowledge construction.

Hewison in a recent article reviews the discontent over perceived negative impacts arising from liberalisation and globalisation, especially one example of such criticism - localism(Hewison, 2000). Hewison is assessing the critique of the current neo-liberal development model, characterised as export-oriented, urban biased, westernised consumerism closely linked to the ongoing process of globalisation. The critique in Thailand is mainly emanating from non-governmental organisations, community groups and social movements. While he acknowledges the need for a critique of the dominant neo-liberal perspectives of globalisation for its neglect of equity and other negative outcomes (Hewison 2000, p. 285), he concludes that “there is no politically sound nor viable economic alternative proffered by the localists” (ibid. p 292).

This defeatism does not give credit to the above-mentioned encouragement to social science and the communities themselves to explore and find alternatives. Although the capitalist economy is based on the same principles of competition between individual producers that promotes technological, economic and social development, the world fortunately have seen many different versions of capitalism based in different natural resources endowment, different political history etc. Today’s situation is different. The international level has become so much stronger and more influential and it is the question what strength the developing nation state will have. As the developmental state is no longer needed in the power play of the cold war, its future strength will depend on its democratic backing at the national and the local level. Whether this democratic backing will strengthen the nation state in finding an acceptable role in the process of globalisation depends on whether peoples’ true democratic participation will be enhanced by local institutions, which in turn will support a democratic civil society at the national level. Hewison’s defeatism can be proven right or wrong only by analysing what happens to local rural institutions and political movements in Thailand in the years ahead.

## Conclusions: The dilemmas of the Thai government in natural resource management

The rural landscapes in Thailand are reflecting the reflexive relationship between their environmental and their social history. Compared to the booming urban economy, the rural landscapes, especially in the North and Northeast, are reflecting relative poverty as a consequence of decades of impoverishment. This is due to the fact that the dynamics of agricultural transformation developed in the trading centres before most of it became concentrated in Bangkok. The paddy producing central plains became dependent on the rice brokers in the trading centres and the world market for rice already during the last half of the 19<sup>th</sup> Century, while the North and Northeast were integrated in the urban dominated market economy when the development discourse was introduced from the late 1950s.

The export-led manufacturing industry that from the mid-1980s created the unprecedented booming economy was based on the capital formation generated by the export-oriented agricultural growth, being the foundation of the economic development.

History has shown that the material wealth created by the conventional development model has only to a limited degree trickled down to the less privileged part of the population. A continuation of the conventional agricultural development model will continue the unbalanced development between the urban economy (especially Bangkok) and the rural areas (with variations between the regions) and the unbalanced development between the “upper economy” and the “lower economy” in the rural sector. The functional territorialisation being pursued by the MoAC could develop into a form of territorial apartheid. Land with good production capabilities will be reserved for the export oriented farmers using high input technologies on contract with (foreign) agribusiness companies while degraded land or land with poor production capabilities will be utilised by marginalised farmers pursuing “sustainable agriculture”

The Agreement on Agriculture will greatly enhance these imbalances by giving even more attention to the agricultural export sector in the “upper economy” and threatening the partly self-sufficiency with basic foodstuff in the “lower economy”. This will make the millions of poor farmers already dependent on household’s members’ migrant work even more dependent on this and the “maldevelopment”

described by Peter Bell (Bell, 1996) and illustrated by many others<sup>35</sup> will be further accentuated.

The theoretical construction guiding the conventional export oriented agriculture is derived from neo-liberal economic thinking, emphasising the comparative advantages of specialisation and trade. The WTO promoted Agreement on Agriculture will to a high degree reinforce these so-called comparative advantages of specialisation and will make a major impact on the rural landscapes in Thailand. This will be in terms of further commodity specialisation in the “upper” economy and through weakening the partly self-sufficiency in food production and thereby further impoverishment and dependence of migrant work in the “lower” economy.

The Ministry of Interior is in the process of decentralising the mandate of natural resources management to the Tambon Administrative Organisations. This is devolution of state power through the transfer of responsibilities that are with the line ministries, to popular elected councils at the Tambon level. This is part of the ongoing process of democratisation as inherent in the 1997 Constitution. The process, however, leaves a number of pertinent questions to be answered: Will the decentralisation process in itself promote peoples’ democratic decisions over utilisation of natural resources? Is the decentralisation process just a decentralisation of the conventional development ideas or is it an opportunity for the people to introduce alternative ways of thinking about development? Can local community groups, local NGOs, and other popular movements at the local level get rid of the patron-client, business influenced political system and turn the TAO into an institution that promote sustainable utilisation of natural resources including sustainable agriculture? Answers to these pertinent questions will show in what direction Thailand is heading.

A crucial question, which the coming decades will answer, is how the civil society will develop. Will the local community movements, to a large extent based on their access and entitlements to local natural resources, form up with the urban based white-collar middle class, running the export-led manufacturing industry, together with the academics and the bureaucracy to form a national civil society? Or will the civil society be based on many separated local community movements, resisting global dominans over their natural resources, but without the coherence of a national civil society?

With the end of the “cold war” the remaining superpower, USA, does not need the developmental state as a bulwark against communism any longer. USA has by giving Thailand huge amounts of military and development assistance, big numbers of US

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<sup>35</sup> There is a range of books describing the adverse social and environmental consequences of the past many years of conventional development. Four recent sources: (Pasuk Phongpaichit et al., 1998), (Bello et al., 1998; Laird, 2000; Pasuk Phongpaichit and Sungsidh Piriyarangsana, 1996)



scholarships and by being a close political ally in fighting communism in Southeast Asia, greatly assisted in keeping the Thai nation state together under the auspices of the development discourse. In this endeavour the term democracy was important as a countermeasure to authoritarian communism.

That the rules of the market forces and the needs of the developmental state in many cases deprived farmers of the access to land and natural resources and impoverished many more resulted in the fact that the terms of development and democracy got a different meaning to them

Will the implementation of the 1997 Constitution through the devolution of state power to the decentralised level give the opportunity for the people at this level to grasp the challenge and introduce alternative development models that will give them a true democratic access to land and natural resources? This might enable them to start a production that will be sustainable in the short and in the long term. Or will the conventional agricultural development model take the lead also at the decentralised level by agribusiness companies introducing more competitive technologies through contract farming that might endanger long term sustainability of local communities?

Bio-physical, economic, social and political sciences have a major challenge in working together across the disciplines to explore development models that are sustainable from an ecological as well as from an economic and social perspective. This can be done by cross-fertilisation of much research already carried out by compartmentalised government departments, and by universities and research institutions. But to ensure that peoples' perspectives of their own future development are taken into consideration, community participation in institutions at the local level and their relationship with the national level are of crucial importance for a more democratic development model to come through.

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